

Section 1.5

Assumed Liabilities

- I. All liabilities and obligations of any kind or nature whatsoever, whether fixed, absolute, matured, unmatured, accrued, contingent, known or unknown of CIGNA and its affiliates relating and limited to any and all of the Contributed Assets (including without limitation, all liabilities and obligations under all contracts, agreements and other arrangements set forth in this Seller Disclosure Schedule which constitute a part of the Contributed Assets).
- II. All of CIGNA's and its affiliates' (other than the Acquired Companies) liabilities and obligations under the Existing Support Agreements, including, without limitation, the following CIGNA Corporation guarantees:

CIGNA Corporation Guarantee to Institute of London Underwriters issued on behalf of CIGNA Insurance Company of Europe S.A.-N.V., dated May 27, 1986 and a similar guarantee dated May 5, 1988 issued on behalf of CIGNA Re U.K., Ltd.

CIGNA Corporation Guarantees issued to Sellers at time of AFIA acquisition. This Guarantee was issued in the case of both Purchase Agreements (Numbers 1 and 2) dated December 30, 1983.

- III. The liabilities and obligations, along with the related assets and equity, pertaining to the following Property and Casualty business and American Express-sponsored Accident and Health business will be transferred pursuant to reinsurance agreements or otherwise from:
 - Seguros CIGNA, S.A. to a Mexican insurance company identified by the Purchaser;
 - CIGNA Argentina Compania de Seguros, S.A. to an Argentinean insurance company identified by the Purchaser;
 - INA Seguradora, S.A. to a Brazilian insurance company identified by the Purchaser.

IV. Transition Business Liabilities

1. The economic results (net income or loss, after overhead allocated at 1998's rate) of the Property and Casualty business and American

Express-sponsored Accident & Health business written in CIGNA's composite licensed companies in the following countries until ACE is able to obtain appropriate local P&C Licenses:

Argentina
Brazil
Mexico

2. Direct marketing services to Purchaser, at CIGNA's cost, (as long as CIGNA retains direct marketing operations) in:

Chile
Hong Kong
Korea
New Zealand
Taiwan

3. The economic results (net income or loss, after overhead at 1998's rate) from the American Express sponsored Accident & Health business written in CIGNA's life insurance companies in:

Canada
Hong Kong
Taiwan

4. The assets, liabilities and obligations pertaining to CIGNA Worldwide Insurance Company's run-off business in Liberia.
5. The economic results (net income or loss) of the Property and Casualty business written by CIGNA Worldwide Insurance Company's branch in Ecuador until Purchaser is able to obtain an appropriate property and casualty license in Ecuador.

- V. In 1995, the Insurance Employees Pension Fund (UCREPPSA) in France determined that the pension reserves would be inadequate to fund expected pension takedowns by 2010. All insurance companies in France were assessed an obligatory contribution, payable either lump sum or in 10 equal consecutive annual installments. CIGNA's assessment was Ffr.44,777,581.43 (approximately U.S.\$8,141,378) which it elected to pay over ten years. Through 1998, approximately. Ffr. 13.4 million (U.S.\$2.4 million) plus interest has been paid. All outstanding amounts in respect thereof shall be an Assumed Liability.

See Sections 2.5(b) and (c), 2.7, 2.8, 2.10 and 2.31 of the Seller Disclosure Schedule.